



**NEW YORK WING CIVIL AIR PATROL**

**WING BANKER PROGRAM FOR UNITS  
BELOW WING LEVEL**

**May 2011**

This publication was developed to inform the units below wing level of the procedures involved in implementing the Wing Banker Program. It was originally developed by the financial management staff at Pennsylvania Wing, Civil Air Patrol. This PA Wing manual has been adopted with their permission.

Any comments or suggestions are to be directed to the New York Wing Director of Finance, [TeamBronx@aol.com](mailto:TeamBronx@aol.com) or the Wing Senior Administrator, [nywingfinance@gmail.com](mailto:nywingfinance@gmail.com).

## **WHY ARE WE DOING THIS**

In the past Civil Air Patrol, Inc. had received only qualified annual audit reports from their outside audit firm. The reason for the qualification was that the financial statements did not include the accounts and financial transactions of units below wing level, meaning that funds at units below wing level were not audited. These unaudited funds were considered material in relation to the entire corporate total of audited funds. An unqualified audit will result in additional opportunities for funding for the entire corporation. In addition, an unqualified audit results in greater accountability and consistency and increases the confidence and trust of Civil Air Patrol members, government entities and the public.

In 2005, Virginia Wing developed a plan to solve the problem. They decided to ask their units to close out all their bank accounts and send the money to wing HQ. Wing HQ would open a separate checking and savings account into which the unit monies would be deposited. The advantages of the wing acting as the “banker” for the unit’s monies include obtaining an unqualified audit opinion, all accounting being on the accrual basis (units below wing level were then on a cash basis), all funds being audited, and better reporting. This Program eliminated the need for financial recordkeeping at the unit level, which in turn eliminated the need to consolidate all units below wing level at yearend. It also relieved the burden on unit finance officers for reporting, writing checks, and reconciling the bank account each month.

The Board of Governors unanimously approved the Audit Committee recommendation that Civil Air Patrol obtain an unqualified audit within three years. This goal was approved by the National Executive Committee, which voted in May 2007 to have all wings fully compliant with the Wing Banker Program (WBP) effective 1 October 2007. Civil Air Patrol, Inc. subsequently received unqualified audits in Fiscal Years 2008 and 2009. Results for FY 2010 are expected to be released on 23 June 2011.

While there is no recordkeeping requirement at the unit level under the new system, the unit finance committee continues to play an important part in the financial process. Wing will not pay bills on behalf of the unit until they receive the required approvals. The requirement for approvals of a majority of unit finance committee members for expenses over \$500.00

continues. Approvals may be obtained via mail, fax, e-mail, or Sertifi®. There will be better accountability because payments are correctly authorized. Wing will not “float” funds for a unit if it does not have enough money in the bank. The unit will be required to deposit enough money to cover an outstanding bill before it will be paid. The unit must continue to account for all income deposited in the bank.

The wing will use JPMorgan Chase (Chase) for the downstate Groups (CMG, LIG, NYC, SEG) and their squadrons, and HSBC Bank for the remaining Groups (CNY, FLG, MEG, SCG, WNY) and their squadrons. When the unit makes deposits locally, the unit must notify wing, using the NY Wing Deposit Advice document, via email, fax or mail. The advice document will notify wing that the unit made the deposit and to what income accounts the money should be posted. This advice must be received at Wing HQ by the Senior Administrator within 7 days of the deposit.

Wing Banker Program offers a viable resolution to the qualified audit opinion. It also ends the problems encountered by the wings doing the consolidated unit report at year-end since this reporting requirement was eliminated. The inconsistency and inaccuracy of the unit reports will cease to be a problem at all levels of CAP. The problem of different accounting methods will also disappear. Units are on the accrual basis of accounting just like the wings, regions and NHQ.

The New York Wing is one of the larger wings implementing this system. While the workload at Wing Headquarters has increased, the Senior Administrator, an integral part of the process, works at wing HQ every day and can process transactions on a timely basis.

## **The Unit Bank Account**

NY Wing has opened a unit checking account and a unit savings account at JPMorgan Chase and HSBC. The NYWG Staff and Finance Committee did an extensive search on all regional banks in NY, locating all their branches then matching them up with all the unit locations. **If any unit has a problem with not being able to deposit money into this bank, deposits should be mailed to NYWG HQ.**

All unit certificates of deposit (CD) and must be recorded in QuickBooks® at the wing level. The unit must ensure that the account address of record is NYWG HQ so the bank or brokerage statements come to NYWG HQ so that interest and any other transactions are properly recorded. Units may allow a CD to mature and move it to the new bank. If the CD is allowed to stay in the unit's local bank and is not moved to the new wing bank, the mailing address and signatures must be changed to NYWG HQ. Any withdrawals from the CD or brokerage accounts must have proper approvals and must be done through NY Wing HQ.

## **What is the Unit's Role?**

Each unit must maintain a finance officer and finance committee as required in CAPR 173-1. The unit finance officer, the unit commander, or a designated finance committee member must initiate and approve any expenses under \$500.00, unless included in the recurring expense policy. This approval may be accomplished on the Check Request Form. If the expense is \$500.00 or over, then a majority of the finance committee must indicate approval with signatures.

The unit finance committee must continue to function and record minutes. All approvals should be noted in the minutes. Any electronic approvals should also be attached. The unit finance committee should continue to develop a budget to help manage the unit's finances. They must also monitor their income and expenses to help verify that wing has recorded everything correctly. This will be done by reviewing the monthly reports that will be sent to each group commander for distribution to the units. .

The unit needs to ensure that all bills are forwarded to wing in a timely manner. If the mailing address for approved recurring bills is changed to wing HQ, then the unit needs to authorize wing to pay those bills on a recurring basis through a recurring expense authorization. An example of a unit recurring expense policy is attached. The address on these bills must include the unit number.

The unit needs to either make their deposits at the designated bank or collect the checks and send them to wing HQ. The proper accompanying forms need to be filled out correctly and in a timely manner so that wing HQ knows which unit is involved, what accounts to debit or credit, and the source and purpose of the funds.

The unit will continue to be responsible for following fundraising procedures as required in CAPR 173-4. These procedures require the wing commander to approve all fundraising requests. In addition, the unit must provide an accurate accounting of funds raised to Wing HQ.

The unit finance committee continues to play a very important role and is crucial in the management of the unit's financial transactions. The only difference is that wing is now their bank, their accountant, and their reporter. The units should also be reassured because wing HQ is audited every year by the wing financial analyst.

# HOW DOES WING HANDLE THE ACCOUNTING?

## Receiving Income

When the wing transitioned into the Wing Banker Program, Wing HQ received the initial funds from the units and they were posted as separate deposits for each unit. Each unit has a separate sub account.

Units may make deposits directly to the bank:

- When anyone is writing a check to your unit it should be made payable to: **NYWG CAP Unit NY\_\_\_\_\_ (your unit number)**.
- The unit must send a copy of deposit slip and a Deposit Advice form to wing HQ within **7 days** so that the proper entries can be made. The form can be found on the NY Wing Web Site and can be locally produced or electronically form filled and printed on your computer.
- The unit will specify names and account numbers from the standard chart of accounts and describe the transaction. Any income or expense associated with the aircraft must list the aircraft tail number.
- If two or more units are participating in a fund raiser a separate deposit transaction must be accomplished for each unit. **You cannot group deposits from different units.** If you only receive one check for the event the entire check will need to be deposited into one of the units accounts and check will need to be written from this unit to the other participating unit(s).
- If the unit sends the checks to wing to be deposited the unit still needs to send a Deposit Advice form and the complete deposit slip for the bank. All entries on the deposit must be classed.
- Make sure you write the unit number on every document. This will help insure that all transactions are posted correctly.
- Copies of all deposits slips and checks should be kept for reconciliation of your unit's account.

## Paying Bills

The Senior Administrator will ensure that all necessary approvals have been obtained before paying any bills.

### Submitting unit bills to NY Wing HQ:

- All bills must be submitted on a NY Wing Check Request Form or a Recurring Expense Form with proper approval before any bill can be paid. A copy of the original receipt, invoice, or bill must accompany all forms. Electronic submission is authorized (e-mail scans or faxed).
- Recurring Expense are invoices that units are paying on a routine basis, i.e. phone, electric, rent.
- The unit finance committee must authorize all expenses \$500.00 and over in writing. Under \$500.00 can be authorized by the unit commander or one of the approved members of the unit's finance committee.
- Supporting documentation and forms must be filed with the units finance paperwork.
- Make sure you write the unit number on every document. This will help insure that all transactions are posted correctly.
- Copies of all check request including bills and/or invoices should be kept for reconciliation of your units account.
- Forms and supporting documentation can be e-mailed or faxed to NY Wing HQ. Attn: Wing Senior Administrator, [nywingfinance@gmail.com](mailto:nywingfinance@gmail.com).

### Reconciling the Unit Checking Account

The NYWG Director of Finance will reconcile the accounts every month.

The NYWG Senior Administrator or Director of Finance may find discrepancies with an account, i.e. a deposit of which we have no record. This might occur when the units make deposits locally, and for some reason NYWG does not receive record of the deposit. If this occurs an e-mail will be sent out listing the date and amount of the deposit and asking to whom it belongs. The claiming unit of the deposit will need to mail, fax or email the deposit slip and Deposit Advice form so they may receive proper credit.

After the monthly reconciliation is complete, a register extract will be posted in the Wing's online Financial Repository. Each group commander has access to this repository and is required to distribute the register spreadsheet to their subordinate unit commanders. The units should keep copies of all transactions (deposits and bills/invoices) for reconciliation of your units account.

If the unit finance committee finds any discrepancies with the unit account statement e-mail the NYWG Senior Administrator as soon as possible with details of the discrepancy so corrections can be made.

## **Unit Savings Account Interest**

If a unit has funds that are not budgeted to be used for more than 6 months, the unit can request that the funds be transferred into the unit saving account where the unit will receive interest every month in the unit's account.

NYWG will be absorbing all the mailing cost, checks, deposit slips, and accounting fees.

Any unit that wants to invest in a CD or other investment needs to contact NYWG Director of Finance to review options and open an account. Local suggestions are encouraged.

## **Questions**

Any questions can be e-mailed to: Lt Col Pat Magee, NYWG Director of Finance, [TeamBronx@aol.com](mailto:TeamBronx@aol.com) .

Or contact Senior Administrator Karen Boyle, , [nywingfinance@gmail.com](mailto:nywingfinance@gmail.com) .

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Westchester County Airport  
White Plains, NY 10604-1218  
Main Line (914) 683-1000  
**Finance Direct Line (914) 683-1004**  
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## New York Wing Civil Air Patrol

### UNIT RECURRING EXPENSE POLICY

**This policy will need to be renewed on October 1 each year.**

The finance committee of \_\_\_\_\_, NY\_\_\_\_, hereby authorizes New York Wing to submit payment for the following recurring expenses on a monthly basis on our behalf without additional written approval. Wing HQ is authorized to submit payment up to the established limit set below. If the Payment request exceeds the authorized limit, Wing HQ must contact the Squadron Commander to obtain additional authorization. If the Squadron does not have sufficient funds to pay such request, Wing HQ must contact the Squadron Commander so that additional funds may be deposited.

Vendor	Type of Expense*	Approved Amount**

\* Recurring expenses are limited to monthly utility bills, facility cleaning bills, landscaping bills, telephone bills, internet usage fees, postage meter rental fees, monthly copier maintenance fees, and facility (hangar, tie-down, repeater, storage) rent.

\*\* To be considered recurring, an expense must be a routine monthly expense not exceeding \$500.

**\_\_ The finance committee of \_\_\_\_\_, NY\_\_\_\_, hereby declines to authorize any recurring expenses for the unit for this fiscal year.**

\_\_\_\_\_  
Signature Group/Squadron Commander

FY 20\_\_\_\_

\_\_\_\_\_  
Signature Group/Squadron Finance Officer

Date: \_\_\_\_\_



## **Glossary of Accounting Terms**

**Auditor Opinion** - The auditor's opinion is the most important part of the audit report that is provided on company accounts.

The auditor will give an opinion that is unqualified, qualified, adverse or that there is a fundamental uncertainty. A fundamental uncertainty means that the auditor is unable to express an opinion.

A disclaimer of opinion is issued when the auditor is unable to express an opinion. An auditor may draw investor's attention to a fundamental uncertainty, but this does not necessarily mean that the audit is qualified.

**Unqualified Audit** - If there are no problems found during an audit, the auditor will state "in our opinion the financial statements give a true and fair view..." Such an audit opinion is given when there has been no limitation on scope and the auditor agrees with the treatment and disclosure of information the financial statements.

The accounts of listed companies are almost always given an unqualified opinion on the audit report, as potential problems will be identified and dealt with ahead of the release of the financial statements.

**Qualified Audit** - Qualified Audit A qualified opinion is given in the auditor's report if there is a limitation on scope or if the auditor disagrees with the treatment or disclosure of information in the financial statements. Except for the qualification of a particular issue, the rest of the financial statements will give a true and fair view. The accounts of listed companies are rarely qualified and it would seriously undermine confidence in the management if they were.

**Accrual Accounting** - An accounting method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions happen.

Notes: The opposite of this is cash accounting, which recognizes transactions only when there is an exchange of cash. But under accrual accounting, for example, if you buy a stereo on credit, the company you buy from would still recognize the event as a transaction.

**Cash Accounting** - An accounting method where receipts are recorded during the period they are received, and the expenses in the period in which they are actually paid.

Notes: Basically, when the cash is received for a sale, it is recorded in the accounting books as a sale. This is in contrast with accrual accounting, where revenue and expenses are recorded when they are incurred.